MISSOURI HOUSING DEVELOPMENT COMMISSION

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
FISCAL YEAR ENDED
JUNE 30, 2022

Missouri Housing
Development Commission
MHDC

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

The Commissioners
Missouri Housing Development Commission
Kansas City, Missouri

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Missouri Housing Development Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Missouri Housing Development Commission as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missouri Housing Development Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, as of July 1, 2021, the Missouri Housing Development Commission adopted Governmental Accounting Standards Board Statements No. 87, *Leases* and No. 91, *Conduit Debt Obligations*. Our opinions are not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Missouri Housing Development Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Housing Development Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Missouri Housing Development Commission's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri Housing Development Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of Commission's proportionate share of the net pension and OPEB liability and schedules of Commission's contributions on pages 5 through 14 and 60 and 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Missouri Housing Development Commission's basic financial statements. The accompanying supplementary information, which includes the combining statement of net position; combining statement of net position multifamily bond-financed programs; combining statement of net position single family bond-financed programs; combining statement of revenues, expenses and changes in net position; combining statement of revenues, expenses and changes in net position multifamily bond-financed programs; and the combining statement of revenues, expenses and changes in net position single family bond-financed programs, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RubinBrown LLP

September 15, 2022

Management's discussion and analysis provides an overview of the financial activities of the Missouri Housing Development Commission (Commission) and its financial performance for the fiscal year ended June 30, 2022. Please read it in conjunction with the Commission's financial statements and accompanying notes.

Introduction - Missouri Housing Development Commission

The Missouri Housing Development Commission was established by the 75th Missouri General Assembly in 1969 and is the housing finance agency for the state of Missouri (State). The Commission is a self-sustaining organization and does not draw upon the general taxing authority of the State. The Commission secures resources through the sale of bonds and notes and through the sale of mortgage assets, for the purposes of financing owner-occupied residential mortgage loans for lower and moderate-income persons and providing construction and long-term financing for rental developments to be occupied by lower and moderate-income persons. The Commission's net position is also a source of funding for such loans and other housing-related programs.

The Commission manages other programs related to its housing finance activities, including administering the Missouri Housing Trust Fund, the Missouri Affordable Housing Assistance Program and the housing tax credits for the State. The Commission also administers federal and other assistance programs, including U.S. Department of the Treasury emergency rental and homeowner assistance, the HOME Investment Partnerships Program (HOME) and the Project-Based Section 8 program, which provides rental subsidies.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis; the basic financial statements, including notes to the financial statements; and required and other supplementary information. The basic financial statements include the statement of net positon, the statement of revenues, expenses, and changes in net position, and the statement of cash flows. The Commission is a self-supporting entity and follows enterprise fund reporting, using the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Commission.

Financial Highlights

The following financial highlights provide important aspects regarding the Commission's financial activities and operations, with additional discussion provided in this discussion and analysis. This information should be considered in conjunction with the detail provided in the financial statements, accompanying notes and supplementary information.

Fiscal Year Ended June 30, 2022

- Total assets were $2.3 billion, a decrease of .06% from June 30, 2021. Excluding net unrealized losses, total assets were $2.4 billion, an increase of 5.7% from June 30, 2021. The increase resulted from advanced homeowner assistance funds received in accordance with the American Rescue Plan Act along with an increase in homeownership bond-financed assets, including mortgage-backed securities.

- Fiscal year 2022 mortgage investment purchases and originations totaled $271.9 million as compared to $221.9 million in fiscal year 2021. Principal repayments on mortgage assets and proceeds from the sale of mortgage assets totaled $261.2 million in fiscal year 2022 as compared to $277.5 million in fiscal year 2021.

- Revenue bonds issued totaled $295.0 million in fiscal year 2022 and totaled $224.9 million in fiscal year 2021.

- Total revenues were $446.2 million in fiscal year 2022. Excluding the net change in fair value of investments, total revenues increased 113.7% to $586.5 million in fiscal year 2022. Revenues from federal assistance programs were $512.1 million in fiscal year 2022 as compared to $199.1 million in fiscal year 2021.

- Net operating income, excluding the net change in fair value of investments, was $28.8 million in fiscal year 2022 as compared to $26.0 million in fiscal year 2021. Excluding federal and other assistance programs and the net change in fair value of investments, net operating income was $18.6 million in fiscal year 2022 as compared to $23.0 million in fiscal year 2021.

- Net position decreased $111.5 million as of June 30, 2022. Excluding the change in fair value of investments, net position increased $20.3 million (2.5%) as of June 30, 2022.

The Commission has maintained a general obligation issuer credit rating from Standard and Poor's Ratings Services of AA+ with a stable outlook. This rating was affirmed February 18, 2022.

Financial Position

The following table summarizes the Commission's current, restricted and noncurrent assets, deferred outflows of resources, liabilities and deferred inflows of resources. The table also displays restricted and unrestricted net position as of June 30, 2022 and 2021.

Condensed Summary of Net Position (In Thousands)

	June 30, 2022	June 30, 2021	$ change 2022 - 2021
Assets			
Current assets	$ 26,922	$ 38,407	$ (11,485)
Restricted cash and cash equivalents	526,760	430,263	96,497
Restricted investments	103,136	102,826	310
Restricted mortgage investments	1,345,367	1,415,660	(70,293)
Other restricted assets	26,389	4,172	22,217
Capital assets	2,007	2,233	(226)
Lease assets	2,564	3,305	(741)
Other	276,072	313,820	(37,748)
Total Assets	2,309,217	2,310,686	(1,469)
Deferred Outflows of Resources	4,798	4,126	672
Liabilities			
Current liabilities	9,897	31,543	(21,646)
Current liabilities - payable from restricted assets	430,182	360,136	70,046
Long-term bonds and notes payable	1,107,394	1,045,470	61,924
Other	31,185	33,374	(2,189)
Total Liabilities	1,578,658	1,470,523	108,135
Deferred Inflows of Resources	5,339	2,820	2,519
Net Position			
Net investment in capital assets	1,981	2,178	(197)
Restricted	451,850	545,387	(93,537)
Unrestricted	276,187	293,904	(17,717)
Total Net Position	$ 730,018	$ 841,469	$ (111,451)

The cost-basis of assets totaled $2.4 billion and $2.3 billion at June 30, 2022 and 2021, respectively. At June 30, 2022, restricted cash and cash equivalents includes deposit balances received in accordance with the Consolidated Appropriations Act and the American Rescue Plan Act, including $244.5 million in rental assistance and $127.3 million in homeowner assistance funds.

The Commission implemented GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The cumulative effect of adopting GASB Statement No. 87 as of July 1, 2021 was a net increase of $556,000 in the Commission's enterprise fund net position. Certain 2021 summary amounts have been reclassified, where appropriate, to conform to the 2022 financial statement presentation.

In addition, the Commission implemented GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer. In accordance with this statement, the Commission has excluded the assets and liabilities related to its conduit debt from the statement of net position. There was no effect to the Commission's net position.

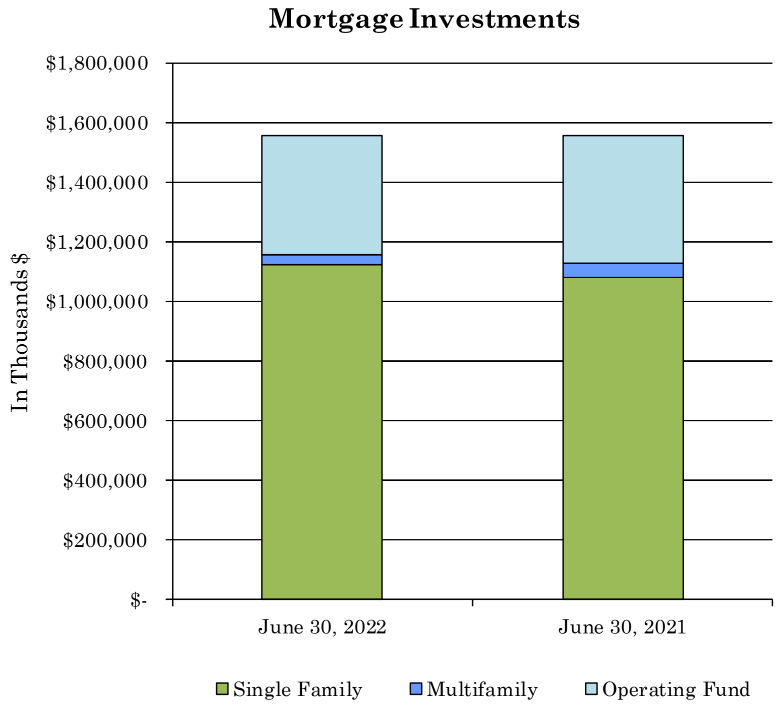
Investments

Investments consist of U.S. government and agency fixed rate securities. The Commission's investment policy emphasizes preservation of principal. At June 30, 2022, the Commission had $331.5 million in investments, at cost, as compared to $308.8 million at June 30, 2021.

Mortgage Investments

The Commission's mortgage investments, at cost, increased 0.12% during fiscal year 2022. Mortgage investments, as reported, comprised 62.7% of the Commission's total assets at June 30, 2022 as compared to 66.9% at June 30, 2021. Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) mortgage-backed securities (MBS) comprise 72.1% of the Commission's mortgage investments at June 30, 2022 compared to 71.1% at June 30, 2021. In fiscal year 2022 new loans totaled $271.9 million, with mortgage asset sales, payment and prepayment activity and change in fair value resulting in a net decrease of $97.1 million in the mortgage investment portfolio, as reported. Excluding unrealized net losses presented, the Commission's mortgage investments increased $1.9 million in fiscal year 2022. The Commission's loan portfolio is low-risk, with all of the bond-financed homeownership loan investment portfolio being GNMA, Fannie Mae and Freddie Mac MBS and its bond-financed multifamily loan portfolio backed by Federal Housing Administration (FHA) insurance, including Risk-Share loans. The Commission's loan loss reserve was 9.3% of total mortgage assets, excluding MBS, at June 30, 2022 as compared to 9.0% at June 30, 2021 which is allocated to uninsured loans, Risk-Share loans and related accrued interest on such loans.

The composition of mortgage investments among operating fund loans, multifamily bond-financed programs and single family bond-financed programs at June 30, 2022 and 2021 is depicted in the following chart:



The Commission's operating fund mortgage investments include mortgage-backed securities and loans financed with fund balances (net position) and Federal Home Loan Bank (FHLB) advances. These mortgage investments total $145.2 million at June 30, 2022, as compared to $172.3 million at June 30, 2021. The operating fund mortgage investments also include loans financed by the federal HOME program totaling $227.1 million at June 30, 2022, as compared to $228.5 million at June 30, 2021. In addition, the operating fund loans at June 30, 2022 include $26.9 million in loans financed by the federal Tax Credit Assistance Program (TCAP), as compared to $27.3 million at June 30, 2021.

The Commission's multifamily loan portfolio includes FHA-insured Risk-Share mortgage loans, in which the Commission participates in 50% of the insured risk. These loans totaled $49.1 million at June 30, 2022 and $63.7 million at June 30, 2021.

The Commission provides financing for single family mortgages eligible for GNMA, Fannie Mae, and Freddie Mac securitization. The Commission currently provides eligible homebuyers with mortgage loans financed by the Commission's first-time homebuyer bond programs (First Place loans) for which the MBS are initially purchased for the Commission's warehouse funded by short-term FHLB advances or net position and ultimately financed by the proceeds of tax-exempt bonds issued by the Commission. First Place MBS purchases totaled $237.8 million and $180.8 million in fiscal years 2022 and 2021, respectively. Fluctuations reflect first time home purchase activity which is impacted by economic conditions, availability of homes and other factors.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step MBS delivered totaled $40.9 million in fiscal year 2022 and $41.1 million in fiscal year 2021.

Debt

At June 30, 2022 and 2021, the Commission had $1.1 billion in bonds and notes outstanding. Bonds and notes include short-term FHLB advances used to fund the Commission's warehousing of First Place homeownership program mortgage-backed securities in advance of selling mortgage revenue bonds. There were no advances outstanding at June 30, 2022 as compared to advances totaling $27.5 million outstanding at June 30, 2021.

During fiscal year 2022, new debt issued included four single family mortgage revenue bond series which totaled $295.0 million. The Commission's single family and multifamily housing bonds are rated AA+ with a stable outlook by Standard and Poor's. For additional information, see *Note 5*, Bonds Payable and Long-Term Obligations, in the Notes to Financial Statements.

Net Position

The Commission continues to demonstrate a strong financial position. Net position, excluding unrealized gains and losses, was $832.3 million at June 30, 2022 and $812.0 million at June 30, 2021, representing growth of 2.5% in fiscal year 2022. A significant portion of the Commission's net position is restricted by bond indentures, grant agreements and other legal requirements. Restricted net position totaled $451.9 million at June 30, 2022 compared to $545.4 million at June 30, 2021. In addition, the Commission has designated certain unrestricted net position for its affordable housing programs. The amounts designated were $236.9 million at June 30, 2022 and $233.8 million at June 30, 2021. Net position provides liquidity and capital adequacy to support the Commission's general obligations and commitments, such as the Commission's ongoing operating expenses, construction and permanent loan funding and participation in the U.S. Department of Housing and Urban Development (HUD) Risk-Share Program, that are secured by the Commission's full faith and credit.

Operating Activities

The following table summarizes the Commission's revenues, expenses and changes in net position for fiscal years 2022 and 2021.

Condensed Summary of

Revenues, Expenses and Changes in Net Position (In Thousands)

	2022	2021	$ change 2022 - 2021
Operating Revenues			
Interest and investment income	$ (84,626)	$ 34,728	$ (119,354)
Grants and federal assistance	512,133	199,062	313,071
Other	18,719	16,545	2,174
Total Operating Revenues	446,226	250,335	195,891
Operating Expenses			
Interest expense	25,770	29,938	(4,168)
Compensation and administrative expenses	17,443	14,317	3,126
Grants and federal assistance	501,918	196,018	305,900
Other	13,152	8,767	4,385
Total Operating Expenses	558,283	249,040	309,243
Income before transfers from Custodial Funds	(112,057)	1,295	(113,352)
Transfer from Custodial Funds	606	640	(34)
Change in Net Position	$ (111,451)	$ 1,935	$ (113,386)

The Commission continues to exhibit healthy financial activity. Total revenues fluctuated primarily due to changes in grants and federal assistance and changes in fair value with an overall increase in fiscal year 2022. Excluding the effects of fair value reporting:

- Revenues totaled $586.5 million and $274.4 million in fiscal years 2022 and 2021, respectively. The increase in fiscal year 2022 primarily resulted from a $313.1 million increase in federal grant program revenues.
- The change in net position was an increase of $20.3 million in fiscal year 2022 and $19.7 million in fiscal year 2021, demonstrating continued financial strength.
- The return on average equity was 2.5% and the return on average assets was 0.9% for both fiscal years 2022 and 2021.

Revenues

Interest and investment income totaled a loss of $84.6 million in fiscal year 2022 as compared to income of $34.7 million in fiscal year 2021. This income includes net decreases in fair value of $140.3 million in fiscal year 2022 and $24.1 million in fiscal year 2021. Changes in the fair value of the Commission's portfolio of mortgage-backed securities and other investments result from fluctuations in interest rates and other market factors. Without the fair value adjustments, interest and investment income totaled $55.7 million in fiscal year 2022, which was a 5.3% decrease from a total of $58.8 million in fiscal year 2021. Depending on future financial markets, interest rate fluctuations and thus, changes in the fair value of investments and mortgage-backed securities reported, are expected to have continuing material effects on the Commission's financial statements.

Other operating revenues include $7.7 million and $6.4 million in administration fee income for fiscal years 2022 and 2021, respectively. These fees are predominantly related to the Commission's administration of federal programs. In addition, other operating revenues for fiscal year 2022 included $549,000 in fee income for MBS delivered in accordance with the Commission's daily pricing agreement for its Next Step single family loan program. This fee income was $724,000 for fiscal year 2021.

Grants and Federal Assistance

Federal and other assistance program revenues and expenses represent activity related to projects funded by HUD (including Project-Based Section 8 and HOME), federal programs provided in response to the COVID-19 pandemic and other housing programs. These revenues totaled $512.1 million in fiscal year 2022 as compared to $199.1 million in fiscal year 2021 while expenses incurred were $501.9 million in fiscal year 2022 and $196.0 million in fiscal year 2021. Grant revenues in fiscal year 2022 increased primarily due to additional federal funding, including grant revenue recognized for emergency rental and homeowner assistance provided by the Consolidated Appropriations Act and the American Rescue Plan Act, which increased to $321.4 million in fiscal year 2022 from $16.5 million in fiscal year 2021. Project-Based Section 8 revenues totaled $160.2 million and $157.4 million in fiscal years 2022 and 2021, respectively. HOME funding has varied reflecting timing of awards and disbursements and totaled $11.9 million in fiscal year 2022 and $5.1 million in fiscal year 2021. These programs, along with tax credit programs, are integral to the Commission's achievement of its objectives. The Commission is providing significant housing assisting by administering the federal stimulus programs provided in response to the pandemic. The Commission continues to effectively use ongoing federal government and other programs that serve its mission utilizing those that provide resources that leverage its net position and other resources to finance affordable multifamily and owner-occupied housing for Missourians as well as provide housing assistance to very low-income Missourians.

Expenses

Interest costs were $25.8 million for fiscal year 2022 as compared to $29.9 million for fiscal year 2021 (a decrease of 13.9% in fiscal year 2022). The decrease in fiscal year 2022 reflects reduced interest costs resulting from multifamily refunding bonds issued and paying down optionally callable bonds with available indenture assets during fiscal year 2021. In addition, bond redemptions in both fiscal years 2022 and 2021 resulted from mortgage prepayments.

Beyond the costs associated with debt financing, the Commission's chief operating costs consist of compensation, facilities rent, information systems, professional services and travel expenses. These costs totaled $17.4 million in fiscal year 2022 as compared to $14.3 million in fiscal year 2021. Fiscal year 2022 costs include pension benefit costs of $1.8 million as compared to $2.2 million in fiscal year 2021. Excluding the net change in the fair value of investments, operating costs represented 3.0% of revenues in fiscal year 2022 as compared to 5.2% of revenue in fiscal year 2021.

Economic and Other Factors

The Commission's programs and activities are subject to economic and other factors that may affect the Commission's financial position and operations. In the coming year, changes in interest rates and market conditions can be expected to impact investment earnings and in particular, may result in significant fluctuations in the fair value of investments and mortgage-backed securities. The ongoing coronavirus (COVID-19) pandemic as well as ongoing unrest and global conflict impact economic conditions, creating uncertainty and potential volatility in financial and business activities. The impact on the Commission's operations and financial condition will depend on future developments, including the duration and severity of the pandemic, the extent of federal stimulus programs and any disruptions or delays in business activities and market volatility.

The level of lending activity in the Commission's single family programs is impacted by economic conditions, including the availability of single family homes for sale. The Commission expects to continue to finance its First Place mortgage program primarily with tax-exempt bond proceeds. In addition, the Commission plans to continue to deliver Next Step program mortgage-backed securities via the TBA market. Changes in interest rates and market conditions may impact the Commission's financing of its homeownership programs, including sales in the TBA market as an alternative for financing in the tax-exempt bond market.

The Commission administers the Project-Based Section 8 program in the State through a contract with HUD, which results in over $160 million in housing assistance payment revenue and expense activity annually. The current contract terminates January 31, 2023. HUD may extend the current contract term and is planning to competitively bid this program administration.

Contacting the Commission's Financial Management

This financial report is designed to provide the Commission's stakeholders with a general overview of the Commission's finances and to demonstrate accountability of resources. Questions about this report or inquiries for additional financial information may be directed to the Director of Finance at the Missouri Housing Development Commission, 920 Main Street, Suite 1400, Kansas City, Missouri, 64105 or visit the Commission's website at www.mhdc.com.

STATEMENT OF NET POSITION
(In Thousands)

Assets	June 30, 2022
Current Assets	
Cash and cash equivalents	$ 550
Investments	10,730
Mortgage investments	11,278
Accrued interest receivable	2,017
Accounts receivable - other	1,911
Prepaid expenses	436
Total Current Assets	26,922
Noncurrent Assets	
Restricted assets	
Cash and cash equivalents	526,760
Investments	103,136
Mortgage investments	1,345,367
Accrued interest receivable	4,124
Accounts receivable - other	22,265
Total restricted assets	2,001,652
Investments	184,105
Mortgage investments, net of current portion and allowances for loan losses of $40,248	91,967
Capital assets, less accumulated depreciation of $5,271	2,007
Lease assets, less accumulated amortization of $1,482	2,564
Total Noncurrent Assets	2,282,295
Total Assets	2,309,217
Deferred Outflows of Resources	
Refunding of debt	758
Pension	3,441
Other Postemployment Benefits (OPEB)	599
Total Deferred Outflows of Resources	4,798

STATEMENT OF NET POSITION *(Continued)*
(In Thousands)

	June 30, 2022
Liabilities	
Current Liabilities	
Lease liabilities	$ 673
Accounts payable	7,851
Unearned revenue	1,373
Total Current Liabilities	9,897
Current Liabilities - Payable from Restricted Assets	
Bonds and notes payable	30,577
Accrued interest payable	5,206
Federal housing subsidy and other deposits	392,934
Accounts payable	1,465
Total Current Liabilities - Payable from Restricted Assets	430,182
Noncurrent Liabilities	
Lease liabilities	1,917
Pension	16,154
Other Postemployment Benefits (OPEB)	5,242
Unearned revenue	7,872
Payable from restricted assets	
Bonds and notes payable	1,107,394
Total Noncurrent Liabilities	1,138,579
Total Liabilities	1,578,658
Deferred Inflows of Resources	
Refunding of debt	1,038
Pension	3,168
Other Postemployment Benefits (OPEB)	1,133
Total Deferred Inflows of Resources	5,339
Net Position	
Net investment in capital assets	1,981
Restricted	451,850
Unrestricted, including designated balances	276,187
Total Net Position	$ 730,018

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (In Thousands)

		For the Year Ended June 30, 2022
Operating Revenues		
Interest and investment income		
Income - mortgage investments	$	51,421
Income - investments		4,239
Net decrease in fair value		(140,286)
Total interest and investment income		(84,626)
Income - MBS sales		549
Administration fees		7,738
Other income		10,432
Federal program income		512,133
Total Operating Revenues		446,226
Operating Expenses		
Interest expense on bonds		25,770
Bond debt expense and other fees		2,943
Compensation		11,825
General and administrative expenses		5,618
Rent and other subsidy payments		7,052
Missouri Housing Trust Fund grants		3,157
Federal program expenses		501,918
Total Operating Expenses		558,283
Income before transfers from Custodial Funds		(112,057)
Transfer from Custodial Funds		606
Change in Net Position		(111,451)
Net Position - Beginning of Year		840,913
Cumulative effect of Accounting Change		556
Net Position - Beginning of Year, as Restated		841,469
Net Position - End of Year	$	730,018

MISSOURI HOUSING DEVELOPMENT COMMISSION

STATEMENT OF CASH FLOWS
(In Thousands)

		For the Year Ended June 30, 2022
Cash Flows from Operating Activities		
Interest received on mortgage investments	$	51,673
Fees, charges and other		12,669
Principal repayments on mortgage loans		261,223
Disbursements of mortgage loans		(271,888)
Federal assistance receipts		583,693
Federal assistance disbursed		(523,126)
Collection of compliance and origination fees		6,711
Cash payments for compensation, administrative and other costs		(15,462)
Other operating payments		(7,260)
Net Cash Provided by Operating Activities		98,233
Cash Flows from Noncapital Financing Activities		
Retirement of principal on bonds and notes		(414,605)
Proceeds from issuance of bonds and notes		454,833
Interest paid on bonds and notes		(34,155)
Net Cash Provided by Noncapital Financing Activities		6,073
Cash Flows Used in Capital and Related Financing Activities		
Payments for capital assets		(499)
Payments on leases		(770)
Net Cash Provided Used in Capital and Related Financing Activities		(1,269)
Cash Flows from Investing Activities		
Purchases of investments		(88,214)
Proceeds from maturities and sales of investments		65,483
Interest received on investments		4,083
Net Cash Used in Investing Activities		(18,648)
Net Increase in Cash and Cash Equivalents		84,389
Cash and Cash Equivalents - Beginning of Year		442,921
Cash and Cash Equivalents - End of Year	$	527,310

STATEMENT OF CASH FLOWS (*Continued)*
(In Thousands)

		For the Year Ended June 30, 2022
Reconciliation of Decrease in Net Position to Net Cash Provided by Operating Activities		
Decrease in net position	$	(111,451)
Adjustments to reconcile decrease in net position to net cash provided by operating activities		
Depreciation and lease amortization		1,466
Net decrease in fair value		140,286
Compliance and origination fee receipts		2,532
Amortization of unearned revenue		(2,136)
Income - investments		(4,239)
Net change in mortgage loans		(10,665)
Interest expense related to bonds and other debt		25,770
Change in deferred outflows related to pensions and OPEB		(711)
Change in deferred inflows related to pensions and OPEB		2,592
Change in assets and liabilities		
Increase in accounts receivable		(21,998)
Decrease in accrued mortgage interest receivable		252
Increase in prepaid expenses		(97)
Increase in federal housing subsidy deposits		71,560
Increase in accounts payable		6,868
Decrease in pension and OPEB liabilities		(1,796)
Net Cash Provided by Operating Activities	$	98,233

STATEMENT OF FIDUCIARY NET POSITION
(In Thousands)

	June 30, 2022
Assets	
Cash and cash equivalents	$ 7,780
Investments	98,949
Accrued interest receivable	222
Total Assets	106,951
Net Position	
Restricted for Mortgagors	106,951
Total Net Position	$ 106,951

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(In Thousands)

		For the Year Ended June 30, 2022
Additions		
Interest and investment income		
Income - investments	$	987
Net decrease in fair value		(10,330)
Total interest and investment income		(9,343)
Mortgage escrow receipts - Mortgagors		39,709
Total Operating Revenues		30,366
Deductions		
Mortgage escrow disbursements - Mortgagors		43,329
Transfers to Enterprise Fund		606
Total Operating Expenses		43,935
Change in Net Position		(13,569)
Net Position - Beginning of Year		120,520
Net Position - End of Year	$	106,951

See the notes to the financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Missouri Housing Development Commission (Commission) is a body corporate and politic established on October 13, 1969, by Chapter 215 of the Missouri state statutes. In accordance with the provisions of Chapter 215 and resolutions of the Commission, the Commission is authorized to make or purchase mortgage loans that are uninsured, partially insured or insured or guaranteed by the federal government and to insure mortgage loans, the funds of which are to be used to develop new or rehabilitated low and moderate-income housing. The Commission is also authorized to issue bonds for making or purchasing such loans. The outstanding balance of bonds applicable to loans not insured or guaranteed by a federal agency or to bonds rated lower than “AA” by rating agencies at the time of issuance shall not exceed $200,000,000. At June 30, 2022, the Commission had $15,971,000 of bonds outstanding applicable to conduit loans that are not so insured or guaranteed or to bonds that are not so rated. These conduit bonds are not reported on the Commission’s statement of net position. Bonds issued by the Commission are not an obligation of the state of Missouri (State).

Reporting Entity

The Commission defines its reporting entity to include all component units for which the Commission is financially accountable. The extent of financial accountability is based upon several criteria including: appointment of a voting majority of the governing body, imposition of will, financial benefit to or burden on a primary government and financial accountability as a result of fiscal dependency. No separate entities meet the requirements to be considered component units of the Commission.

The Commission is considered a related organization of the State for financial reporting purposes. Accordingly, the Commission is included as a note disclosure in the state of Missouri’s comprehensive annual financial report.

For financial reporting purposes, the Commission reports its operations as a single enterprise fund. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting with revenues recognized when earned and expenses recorded when incurred. All significant interfund transactions are eliminated.

Revenues and expenses are typically divided into operating and nonoperating items. Operating revenues generally result from providing services in connection with the Commission's principal ongoing operations. The principal operating revenues of the Commission are derived from the interest and investment income from loans and investments, financing fees, federal and other assistance program funding and other charges related to providing financing for affordable housing through mortgage loans and grants. Operating expenses consist primarily of interest expense on bonds outstanding and federal and other assistance program expenses and other costs to administer its affordable housing programs. All revenues and expenses not meeting these definitions would be reported as nonoperating revenues and expenses. The Commission has no nonoperating activities.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as needed.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position provide information on the Commission's fiduciary activities in administering escrow funds on behalf of mortgagors of permanent and construction loans serviced by the Commission. The net position of such funds are reported as restricted net position for mortgagors in the fiduciary statement of net position. Investment earnings on the escrow funds held are reported as additions to restricted net position in the Fiduciary Fund.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and on deposit and temporary investments with an original maturity of three months or less. At June 30, 2022 cash equivalents consisted primarily of money market funds, overnight repurchase agreements, a Federal Home Loan Bank (FHLB) daily time account and U.S. Treasury securities.

Investments

Securities purchased under agreements to resell, U.S. government and agency securities and mortgage-backed securities are reported at fair value. Net increases (decreases) in fair value are reported on the statement of revenue, expenses and changes in net position and the statement of changes in fiduciary net position.

Mortgage Investments

Proceeds from the sale of bonds, resources provided in the Commission's warehousing program and available net position are used to make mortgage loans and to purchase mortgage-backed securities. The mortgage-backed securities are guaranteed as to timely payment of principal and interest by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) and are backed by pools of qualifying mortgage loans. Advances made on such loans during the construction period of related housing units are recorded as construction loans and are serviced as mortgage loans upon final endorsement after construction completion. Mortgage and construction loans are reported at cost, while GNMA, Fannie Mae and Freddie Mac mortgage-backed securities are reported at fair value.

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs and the allowance for loan losses. Generally, loans are evaluated for nonaccrual status at 90 days past due and interest is considered a loss, unless the loan is well secured and in the process of collection.

Fair Value Reporting

The Commission categorizes its fair value measurements applicable for reporting its investments and mortgage-backed securities within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Allowance for Loan Losses

The allowance for loan losses is associated with uninsured loans, Risk-Share loans and related accrued interest on such loans. The allowance is management's estimate of uncollectible loans and related accrued interest and is based on existing payment conditions, prior experience and such other factors that, in management's opinion, require consideration. For financial statement presentation, the allowance for loan losses has been netted against the noncurrent portion of mortgage and construction loans.

Original Issue Discounts and Premiums

Original issue bond discounts and premiums are deferred and amortized over the life of the related issue using the effective interest method or the outstanding bond method, which approximates the effective interest method.

Capital and Lease Assets

Capital assets are stated at cost less accumulated depreciation and consist of leasehold improvements, software, office furniture and equipment. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from two to seven years. The Commission defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

The Commission recognizes a lease liability and an intangible right-to-use lease asset at the commencement of the lease term. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial element represents an acquisition of net positon that applies to future periods and so will not be recognized as an inflow of resources until then.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans administered by the Missouri State Employees' Retirement System (MOSERS) and additions to and deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State Retiree Welfare Benefit Trust (SRWBT) administered by the Missouri Consolidated Health Care Plan (MCHCP) and additions to and deductions from the SRWBT fiduciary net position have been determined on the same basis as they are reported by MCHCP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the financial statements. Net position is classified as follows:

Net Investment in Capital Assets: This component of net position consists of capital and lease assets, net of accumulated depreciation and amortization, net of related liabilities.

Restricted Net Position: This component of net position consists of restrictions placed on net position use through external constraints imposed by grant agreements and contracts, laws or regulations of other governments, bond resolutions or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: This component represents net position used at the discretion of the Board of Commissioners to complement bond and loan programs, to fund housing initiatives and to provide for the Commission's operations. Certain unrestricted net position has been designated by the Commission to provide for its housing programs. Unrestricted net position provides additional security for the Commission's general obligations and commitments.

Fees, Charges and Expenses

Unearned revenue consists primarily of tax credit fees and compliance monitoring fees that are recognized as income over the contractual periods.

Service and other fees and charges are recorded as income when earned and the associated administrative expenses are recorded as incurred.

Operating expenses identifiable to a particular program are charged directly to the program. All other operating expenses are accounted for by the Commission in the Operating Fund (see *Note 2*).

Federal Assistance and Grants

The Commission administers grants and federal assistance programs, representing "pass-through" financial assistance, on the behalf of secondary recipients. The Commission reports federal assistance deposits received in advance of incurring related expenditures as a liability presented on the statement of net position. The Commission recognizes financial activity related to pass-through grants and financial assistance as revenues and expenses of the Commission. Grants received from federal, state and local governments, and other organizations are recognized as operating revenue as the related expenditures are incurred.

Debt Refunding

For refundings resulting in defeasance of debt reported by proprietary activities, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter, using the bonds outstanding method. The deferred refunding amounts are classified as deferred inflows or deferred outflows of resources in the financial statements.

New Accounting Standards

The Commission implemented GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use lease asset. The cumulative effect of adopting GASB Statement No. 87 as of July 1, 2021 was a decrease of $55,000 in the Commission's enterprise fund net investment in capital assets component of net position and an increase of $611,000 in the Commission's enterprise fund unrestricted net position.

In addition, the Commission implemented GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer. In accordance with this statement, the Commission has excluded the assets and liabilities related to its conduit debt from the statement of net position. There was no effect to the Commission's enterprise fund net position.

2. Description of Funds or Programs

The following describes the funds or programs maintained by the Commission, all of which conform to Chapter 215 of the Missouri state statutes and the respective bond resolutions.

Operating Fund

Funding of the Operating Fund on an ongoing basis is derived principally from allowable transfers from other funds, fees earned for administering various U.S. Department of Housing and Urban Development (HUD) programs, and interest income from Operating Fund investments and mortgage loans. Mortgage and construction loans in the Operating Fund are collateralized by deeds of trust on the related properties, including approximately $15,302,000 at June 30, 2022, which are insured by HUD's Federal Housing Administration (FHA) programs or guaranteed by the Veterans Administration (VA). These insured loans include $15,270,000 at June 30, 2022, which are FHA-insured "Risk-Share Mortgage Loans," as described in *Note 4*. Authorized activities of the Operating Fund include the following:

- Payment of general and administrative expenses and other costs not payable by other funds of the Commission.
- Financing multifamily or homeownership residential housing units from accumulated fund balances, if financing of such units is not provided for under existing bond indentures.
- Those activities deemed necessary to fulfill the Commission's corporate purposes for which special funds are not established.

The Commission administers the Missouri Housing Trust Fund, which provides for a variety of housing needs, such as emergency home repair, emergency rent, mortgage or utility payments, rehabilitation or new construction of housing facilities and related services for very low-income families and individuals. The Missouri Housing Trust Fund is authorized by Section 215.034, RSMo and its financial activities are included in the financial statements of the Commission. Separate financial statements for the Missouri Housing Trust Fund may be obtained through the Commission.

Multifamily Bond-Financed Program (2000 Indenture)

The Commission's Multifamily Bond-Financed Program (2000 Indenture) was established to support the financing and refinancing of eligible multifamily projects and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of June 1, 2000. All loans are insured by HUD, including HUD's Risk-Share Program.

Multifamily Bond-Financed Program (2014 Indenture)

The Commission's Multifamily Bond-Financed Program (2014 Indenture) was established to succeed the program established in 2000 with updated terms and flow of funds to support the financing and refinancing of eligible multifamily projects and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves all pursuant to the Commission's Trust Indenture dated as of April 1, 2014. All loans are insured by HUD, including HUD's Risk-Share Program.

Special Homeownership Bond-Financed Program (2009 Indenture)

The Commission's Special Homeownership Bond-Financed Program was established under the United States Treasury's Single Family New Issue Bond Program to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of December 1, 2009. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

First Place Homeownership Bond-Financed Program (2015 Indenture)

The Commission's First Place Homeownership Bond-Financed Program was established to succeed the Special Homeownership Bond-Financed Program due to specific restrictions imposed under the program established by the Treasury Department to support the financing of loans for low and moderate income homebuyers and includes funds and accounts to allocate the proceeds from the bond sales, receive payments on the related mortgage loans, provide for payment of the debt service requirements on the bonds and retain balances in reserves. The bonds are secured by mortgage-backed securities on eligible owner-occupied units pursuant to the Commission's Trust Indenture dated as of May 1, 2015. The pledged mortgage-backed securities are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Fiduciary Funds

In the course of its loan servicing, the Commission administers escrow and reserve funds held on behalf of its mortgagors. The funds are used to pay taxes and insurance on underlying mortgage property, held as reserve for replacements, or for other purposes. The funds received from the mortgagors are invested in accordance with the Commission's investments guidelines and the assets are offset by a corresponding restricted net position for mortgagors. The cash and investments balance of the escrow funds was $106,729,000 as of June 30, 2022.

3. Cash and Investments

A summary of cash and investments as of June 30, 2022 is as follows (in thousands):

Enterprise Fund	2022 Cost	2022 Fair Value
Cash and cash equivalents:		
Cash	$ 183,658	$ 183,658
FHLB daily time accounts	452	452
Repurchase agreements	202,239	202,239
Money market funds	136,274	136,274
U.S. Treasury bills	4,689	4,687
Total cash and cash equivalents	$ 527,312	$ 527,310
Investments:		
U.S. Treasury bonds and notes and agency obligations	$ 331,547	$ 297,971
Total investments	331,547	297,971
Total cash and cash equivalents and investments	$ 858,859	$ 825,281

Fiduciary Fund	2022 Cost	2022 Fair Value
Cash and cash equivalents:		
Cash	$ 7,030	$ 7,030
Money market funds	750	750
Total cash and cash equivalents	$ 7,780	$ 7,780
Investments:		
U.S. Treasury bonds and notes and agency obligations	$ 110,895	$ 98,949
Total investments	110,895	98,949
Total cash and cash equivalents and investments	$ 118,675	$ 106,729

Investment Policy

General

The Commission's formal *Investment Policy and Guidelines* apply to investments that are not held by a trustee in connection with bond or note issues. This policy permits the Commission to invest in obligations of the state of Missouri, obligations of the United States of America, obligations issued or guaranteed by certain agencies of the federal government, certain collateralized repurchase agreements and certificates of deposit. The general policy of the Commission is to make investments for future funding requirements and not for trading purposes. At June 30, 2022, all of the Commission's general investments (non-bond related investments) were in compliance with the Commission's *Investment Policy and Guidelines*.

Indentures

The Commission's bond indentures permit investments in the direct obligations of, or obligations guaranteed by, the United States of America, certificates of deposit, investment agreements and certain other investments permitted by applicable law. At June 30, 2022, all investments of debt-related issues held by the Commission's trustees were in compliance with the requirements of the indentures.

Investment Maturities

As of June 30, 2022, the Commission had the following investments and maturities (in thousands):

Enterprise Fund

June 30, 2022

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**	**More Than 10**
U.S. Treasury securities	$ 43,656	$ 33,011	$ —	$ 9,490	$ 1,155
U.S. agency securities	254,315	6,405	67,665	180,245	—
Total investments	$ 297,971	$ 39,416	$ 67,665	$ 189,735	$ 1,155

Fiduciary Fund

	June 30, 2022			
		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less Than 1**	**1 - 5**	**6 - 10**
U.S. Treasury securities	$ 2,179	$ —	$ —	$ 2,179
U.S. agency securities	96,770	3,980	42,023	50,767
Total investments	$ 98,949	$ 3,980	$ 42,023	$ 52,946

The Commission's *Investment Policy and Guidelines* limit investments for general funds in repurchase agreements to 90 days and U.S. Treasury and U.S. agency securities to 10 years. The bond resolutions and indentures allow for investments in obligations of the United States of America and investment agreements for the terms specified in these documents, generally 30 years.

At June 30, 2022, as reported at fair value, the Commission's enterprise fund U.S. agency securities consist of $123,607,000 Federal Farm Credit Bank (FFCB), $55,963,000 Federal Home Loan Bank (FHLB), $24,007,000 Fannie Mae, $33,482,000 Freddie Mac and $17,256,000 Farmer Mac debt securities. At June 30, 2022, as reported at fair value, the Commission's fiduciary fund U.S. agency securities consist of $53,820,000 Federal Farm Credit Bank (FFCB), $12,850,000 Federal Home Loan Bank (FHLB), $13,891,000 Fannie Mae and $16,209,000 Freddie Mac debt securities.

The Commission's recurring fair value measurements include U.S. Treasury and government agency securities, valued using a multi-dimensional relational pricing model (Level 2 inputs). These securities totaled $297,971,000 in the Commission's enterprise fund and totaled $98,949,000 in the Commission's fiduciary fund as of June 30, 2022.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of investments. The Commission manages interest rate risk by structuring investment portfolios so that securities mature to meet cash requirements for ongoing operations and debt service obligations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

The Commission's money market funds and investments include the securities of U.S. government agencies rated in the highest rating category by Moody's Investor Services (Aaa) and AA+ by Standard & Poor's. Repurchase agreements are unrated, but collateralized by U.S. agency securities.

Concentration of Credit Risk

The Commission places no limit on the amount it may invest in any one issuer with respect to U.S. Treasury and government agency securities. Obligations of the state of Missouri and collateralized certificates of deposit are limited to 60% of the non-bond fund portfolio, each. Collateralized repurchase agreements are limited to 50% of the non-bond fund portfolio. The following tables list investments in issuers that represent 5% or more of total investments, which includes money market funds classified as cash equivalents at June 30, 2022:

Enterprise Fund **Issuer**	**Percent of Total Investments**
Federal Farm Credit Bank (FFCB)	12.7%
Morgan Stanley Institutional Liquidity Funds Government Portfolio	21.2%
Federal Home Loan Bank (FHLB)	7.8%
U.S. Treasury	9.3%
Federal Home Loan Mortgage Corporation (Freddie Mac)	3.2%
UMB Bank	36.9%

Fiduciary Fund **Issuer**	**Percent of Total Investments**
Federal Farm Credit Bank (FFCB)	54.4%
Federal Home Loan Mortgage Corporation (Freddie Mac)	16.4%
Fannie Mae	14.0%
Federal Home Loan Bank (FHLB)	13.0%

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the Commission addresses custodial credit risk by pre-qualifying institutions with which the Commission places investments, diversifying its investment portfolio and maintaining a standard of quality for its investments.

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Commission may not be able to recover its deposits. Protection of the Commission's enterprise fund deposits of $183,658,000 and custodial fund deposits of $7,030,000 at June 30, 2022 is provided by the Federal Deposit Insurance Corporation, FHLB letters of credit and by eligible securities pledged by the financial institution. Deposits in the Commission's enterprise fund with the FHLB at June 30, 2022 include $452,000 in a daily time account, which is uninsured and uncollateralized, but secured by the full faith and credit of the FHLB system with implicit government support.

4. Mortgage Investments

Mortgage investments reported consist of the following as of June 30, 2022 (in thousands):

	2022
Total mortgage loan principal outstanding	$ 434,558
Less: Allowance for mortgage loan losses	(40,248)
Mortgage loans, net	394,310
Total mortgage-backed securities, at cost	1,122,996
Unrealized loss on securitized mortgage loans	(68,694)
Mortgage-backed securities, at fair value	1,054,302
Mortgage investments, net	$ 1,448,612

Mortgages include loans financed by the federal HOME Investment Partnerships Program (HOME) totaling $227,099,000 as of June 30, 2022. A portion of these loans totaling $150,029,000 at June 30, 2022 include prepayment terms allowing deferment or repayment based on net income of the multifamily developments. An estimated allowance for mortgage loan losses of $21,938,000 is attributable to this portfolio at June 30, 2022. In addition, there were $38,921,000 in mortgages outstanding at June 30, 2022 that have continuing compliance requirements and convert to grants upon maturity and satisfaction of program requirements. Such mortgages are recognized as expenditures at the time of disbursement. At June 30, 2022, mortgages also include $26,854,000 in loans financed by the federal Tax Credit Assistance Program (TCAP). An estimated allowance for mortgage loan losses of $3,638,000 is attributable to this portfolio at June 30, 2022.

The Commission warehouses mortgage-backed securities created by its single family homeownership programs. The warehoused securities have been funded by short-term FHLB advances or available net position. U.S. agency securities, which totaled $57,794,000 at June 30, 2022 are pledged as collateral for the short-term FHLB advances. There were warehoused mortgage-backed securities totaling $60,000 held at June 30, 2022.

The single family bond-financed programs generally require that mortgage loans be made to borrowers whose household income does not exceed the statewide or applicable metropolitan statistical area (MSA) median income, based on family size. For loans financed with tax-exempt bond proceeds (First Place loans), Section 143 of the Internal Revenue Code specifies certain requirements with respect to the nature of the residence, mortgage and eligibility of the borrower. These programs provide funding for mortgage loans that are FHA insured, VA guaranteed, U.S. Department of Agriculture/Rural Development (USDA/RD) guaranteed or Freddie Mac-qualified or Fannie Mae-qualified conventional loans.

The Commission finances eligible homebuyers, including non-first time homebuyers, with mortgage loans (Next Step program) financed at predetermined daily prices via the taxable To-Be-Announced (TBA) market in accordance with an agreement with a third-party administrator. Next Step mortgage-backed securities (MBS) delivered totaled $40,866,000 during fiscal year 2022.

The multifamily bond-financed programs provide long-term financing for rental housing developments for occupancy by families and persons of low and moderate incomes. The Commission has entered into an agreement with HUD, which permits the Commission to participate in HUD's Risk-Share Program. In accordance with the terms of this agreement, HUD will insure certain mortgage loans on rental housing developments (FHA-insured "Risk-Share Mortgage Loans") and the Commission will underwrite the Risk-Share Mortgage Loans following its underwriting guidelines. HUD will insure the Risk-Share Mortgage Loans and will bear 50% of the risk and the Commission will bear the remaining 50% of the risk. The Commission had Risk-Share Mortgage Loans totaling $49,061,000, representing 34 loans as of June 30, 2022.

Proceeds of multifamily and single family mortgage revenue bonds, as indicated in *Note 5*, as well as resources of the Commission's mortgage-backed security warehousing program were used to purchase GNMA, Fannie Mae and Freddie Mac certificates collateralized by mortgage loans approved in accordance with the guidelines of the Commission's mortgage programs. The financing periods of the pooled mortgage loans are 30 years. Mortgage-backed securities have repayments based on the underlying pooled mortgages and are subject to prepayment.

The fair value of the mortgage-backed securities is sensitive to changes in interest rates, which may result in large fluctuations in carrying value and investment earnings as reported. The mortgage-backed securities held at June 30, 2022 have stated interest rates ranging from 1.75% to 7.50%, while the underlying mortgages have stated interest rates ranging from 2.25% to 8.00%.

GNMA, Fannie Mae and Freddie Mac certificates, which are included in mortgage investment balances, are presented in the statement of net position at fair value. These mortgage-backed securities are guaranteed as to payment of principal and interest by GNMA, Fannie Mae or Freddie Mac. As of June 30, 2022, the par value of securitized mortgage loans consist of 83.4% GNMA, 6.5% Fannie Mae and 10.1% Freddie Mac certificates. All other loans included in mortgage investments are carried at cost. The following summarizes the carrying value and cost of mortgage investments as of June 30, 2022 (in thousands):

	2022	
	Carrying Value	**Cost**
GNMA, Fannie Mae and Freddie Mac mortgage-backed securities	$ 1,054,302	$ 1,122,996
Other mortgage loans	434,558	451,484
Total mortgage investments	$ 1,488,860	$ 1,574,480

The Commission's recurring fair value measurements as of June 30, 2022 include the GNMA, Fannie Mae and Freddie Mac certificates totaling $1,054,302,000 valued using a matrix pricing technique, which utilizes pricing indices, index spreads and other market reference data (Level 2 inputs).

5. Bonds Payable and Long-Term Obligations

The following table provides a summary of the changes in long-term obligations for the year ended June 30, 2022 (in thousands):

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Amount Due Within One Year
Publicly Sold Bonds					
Multifamily Bond-Financed Program (2000 Indenture)	$ 20,450	$ —	$ (3,060)	$ 17,390	$ 800
Multifamily Bond-Financed Program (2014 Indenture)	26,556	—	(10,186)	16,370	696
Special Homeownership Bond-Financed Program (2009 Indenture)	47,716	—	(15,317)	32,399	1,841
First Place Homeownership Bond-Financed Program (2015 Indenture)	953,218	295,000	(208,183)	1,040,035	26,335
Total Publicly Sold	1,047,940	295,000	(236,746)	1,106,194	29,672
Direct Borrowings and Direct Placements					
Operating Fund - Direct Borrowings	27,474	529,578	(557,052)	—	—
Total Direct Borrowings and Direct Placements	27,474	529,578	(557,052)	—	—
Total bonds and notes payable	1,075,414	824,578	(793,798)	1,106,194	29,672
Unamortized premium and discount, net	30,457	9,447	(8,127)	31,777	905
Total bonds and notes payable, net	1,105,871	834,025	(801,925)	1,137,971	30,577
Lease liability	3,360	—	(770)	2,590	673
Unearned revenue	8,849	2,532	(2,136)	9,245	1,373
Total long-term debt and other obligations	$ 1,118,080	$ 836,557	$ (804,831)	$ 1,149,806	$ 32,623

The net proceeds of bond issues for both publicly sold bonds and direct placements are used to provide financing for multifamily bond-financed housing projects or for homeownership residential housing units. The bond proceeds are deposited with and invested by bank trust departments in qualified investments until required for such financing. These bonds are obligations of the Commission payable from the mortgage investments and funds specifically pledged to the payment of the bonds and are not liabilities of the state of Missouri.

Multifamily bonds are secured by a pledge of the mortgages and mortgage loans, funds and investments held under each applicable indenture. The mortgage loans held by the 2000 and 2014 Indentures are insured by HUD, including HUD's Risk-Share Program. Single family bonds are secured by pledged mortgage-backed securities, funds and investments held under each applicable indenture. The pledged mortgage-backed securities consist of pools of mortgages originated in accordance with the Commission's loan programs and are guaranteed as to timely payment of principal and interest by GNMA, Fannie Mae or Freddie Mac.

Under the terms of the bond indentures, an event of default occurs if payment of principal or interest is not made when due or in the event the Commission does not comply with one or more covenants in or related to the bond indenture and fails to cure the noncompliance within specified timeframes. If an event of default is not resolved, the trustee can take actions to protect and enforce the rights of the bondholders, including enforcement of rights under the mortgages or mortgage-backed securities and declaring all applicable outstanding bonds due and payable.

A summary of bonds payable outstanding at June 30, 2022 follows (in thousands), including the applicable calendar date reference for future maturities or final redemption:

	Original Amount Authorized	Outstanding 2022
Multifamily Bond-Financed Program (2000 Indenture)		
2012 Series 1 Refunding Bonds (3.723% to 4.25%), due 2028-2038	$ 42,740	$ 2,685
2013 Series 1 Friendship Village (2.50% to 3.75%), due 2022 - 2045	6,555	2,730
2013 Series 2 Refunding Bonds (3.20% to 4.625%), due 2022-2040	15,560	4,125
2013 Series 3 Shepard Apts. (3.25% to 5.00%), due 2022-2045	12,030	6,320
2013 Series 4 House Springs Apts. (3.125% to 5.00%) due 2022-2045	2,555	1,530
	79,440	17,390
Add: Unamortized debt premium		86
	79,440	17,476
Multifamily Bond - Financed Program (2014 Indenture)		
2014 Series 1 Refunding Bonds (4.20%), due 2040	$ 23,742	$ 2,973
2015 Series 1 Refunding Bonds (3.75%), due 2042	12,120	2,262
2021 Series 1 Refunding Bonds (2.20%), due 2042	11,503	11,135
	47,365	16,370
Total Multifamily Bond - Financed Programs	126,805	33,846
Special Homeownership Bond - Financed Program (2009 Indenture)		
Publicly Sold Bonds:		
2014 Series A (2.50% to 4.00%), due 2022 - 2041*	$ 50,000	$ 7,735
2014 Series B (2.50% to 4.00%), due 2022 - 2040*	50,000	9,355
2014 Series C (2.97%), due 2036*	40,579	7,361
2016 Series C (2.40%), due 2044*	31,503	7,948
	172,082	32,399
Add: Unamortized debt premium		498
	172,082	32,897

	Original Amount Authorized	Outstanding 2022
First Place Homeownership Bond - Financed Program (2015 Indenture)		
2015 Series A (2.25% to 3.75%), due 2022 - 2038*	$ 60,000	$ 9,270
2015 Series B-1 (4.00%), due 2045*	23,090	3,335
2015 Series B-2 (2.45% to 4.00%), due 2022 - 2045*	50,000	6,690
2015 Series C (4.00%), due 2036*	56,000	5,625
2016 Series A-2 (1.85% to 4.00%), due 2022 - 2040*	70,000	15,745
2016 Series B (1.50% to 3.50%), due 2022 - 2041*	70,000	20,840
2016 Series D (3.40%), due 2046*	51,489	20,862
2017 Series A-1 (4.00%), due 2042*	14,400	6,755
2017 Series A-2 (1.80% to 4.00%), due 2022 - 2042*	50,000	14,490
2017 Series B (3.25%), due 2047*	54,241	21,871
2017 Series C (3.30%), due 2047*	53,939	24,386
2017 Series D (2.10% to 4.00%), due 2022 - 2047*	54,500	28,400
2018 Series A (2.10% to 4.25%), due 2022 - 2049*	55,000	30,995
2018 Series B (2.50% to 4.75%), due 2022 - 2049*	70,000	42,535
2019 Series A (1.90% to 4.25%), due 2022 - 2047*	65,000	38,425
2019 Series B (1.55% to 4.00%), due 2022 - 2050*	80,000	54,090
2019 Series C (1.40% to 3.875%), due 2022 - 2050*	120,000	92,925
2020 Series A (1.10% to 3.50%), due 2022 - 2050*	100,000	84,045
2020 Series B (2.25% to 2.625%) due 2043*	75,470	38,534
2020 Series C (0.45% to 3.50%) due 2022 - 2050*	55,000	48,195
2020 Series D (0.30% to 3.25%) due 2022 - 2051*	50,000	43,610
2020 Series E (1.85% to 2.00%) due 2050*	33,400	27,972
2021 Series A (0.20% to 3.00%) due 2022 - 2052*	75,000	68,170
2021 Series B (0.15% to 3.00%) due 2022 - 2052*	65,000	62,635
2021 Series C (0.20% to 3.25%) due 2022 - 2052*	75,000	74,635
2022 Series A (1.00% to 3.50%) due 2023 - 2052*	75,000	75,000
2022 Series B (2.05% to 4.75%) due 2023 - 2052*	80,000	80,000
	1,681,529	1,040,035
Less: Unamortized debt discount		(97)
Add: Unamortized debt premium		31,290
	1,681,529	1,071,228
Total Single Family Bond - Financed Programs	1,853,611	1,104,125
Total bonds payable, net	$ 1,980,416	$ 1,137,971

The proceeds of bond issues denoted by "*" are used to purchase GNMA, Fannie Mae and Freddie Mac mortgage-backed securities, which are backed by mortgage loans originated through the Commission's loan programs.

During the fiscal years ended June 30, 2022, the Commission redeemed, prior to their scheduled maturity, the principal amount of certain of its bonds. Net gains of $2,275,000 for the year ended June 30, 2022 on early extinguishment of debt have been recorded and included with other income. These gains arise as a result of immediate recognition of bond premiums, net of immediate recognition of bond discounts, that would have been amortized over the life of the applicable bond issue if not retired and net of call premiums as required by the applicable bond indentures.

Conduit Debt Obligations

The Commission is authorized to issue conduit revenue bonds to provide financing for multifamily rental housing developments. These bonds are limited obligation, conduit debt issued by the Commission, secured by a mortgage and payable solely from payments made pursuant to the loan agreement. Payments on the bonds do not constitute a general obligation payable from funds of the Commission. Accordingly, the bonds are not reported as liabilities in the Commission's statement of net position. The Commission had $16,926,000 in conduit bonds at June 30, 2022.

Direct Borrowings – Operating Fund

In addition to bonds payable, the Commission utilizes short-term FHLB advances, which are secured by pledged U.S. agency securities and mortgage-backed securities. The FHLB can dispose of all or a portion of such securities for purposes of collecting payment of principal and interest on an advance in the event of a payment default. There were no advances outstanding at June 30, 2022. The short-term FHLB advances included rollover financings of $379,193,000 in fiscal year 2022.

Bond and Long-term Obligation Maturities

All bonds have early redemption provisions. A summary of future annual scheduled principal and interest maturities for the Commission's long-term obligations, which excludes unamortized debt discounts and premiums, follows (in thousands):

Bonds Maturing During Years Ending June 30,	Publicly Sold Bonds Principal	Interest	Total
2023	$ 29,672	$ 33,915	$ 63,587
2024	29,256	33,689	62,945
2025	30,158	32,973	63,131
2026	31,036	32,183	63,219
2027	31,892	31,335	63,227
2028 - 2032	174,935	142,096	317,031
2033 - 2037	206,179	112,764	318,943
2038 - 2042	218,758	78,356	297,114
2043 - 2047	225,442	42,698	268,140
2048 - 2052	127,466	8,950	136,416
2053 - 2057	1,400	28	1,428
	$ 1,106,194	$ 548,987	$ 1,655,181

Lease Liability

The Commission leases office space in Kansas City in accordance with a ten-year lease and in St. Louis in accordance with an 11-year lease. The Commission also leases storage space in Kansas City in accordance with a three-year lease. The total value of these lease assets was $4,046,000 and the related accumulated amortization was $1,482,000 at June 30, 2022. Future principal and interest requirements, using an incremental borrowing rate of 1%, to maturity for the lease liability as of June 30, 2022 are as follows (in thousands):

Year	Principal	Interest	Total
2023	$ 673	$ 23	$ 696
2024	751	18	769
2025	548	10	558
2026	304	6	310
2027	314	2	316
	$ 2,590	$ 59	$ 2,649

6. Escrow Deposits and Rent Subsidies Payable

Escrow deposits in the fiduciary fund represent funds paid by project mortgagees for real estate taxes, insurance, future replacement of property and other costs.

Federal housing subsidy and other deposits reported on the Commission's statement of net position represent federal funds received in advance for emergency rental assistance, payment of rent subsidies and for other programs.

7. Restrictions and Designations

Restricted Cash and Investments

Substantially all of the assets of each bond program of the Commission are pledged as collateral for the payment of principal and interest on bond indebtedness of that program. Therefore, all related bond program assets of the Commission that are pledged as collateral are treated as restricted and noncurrent. The obligations of the Commission are not obligations of the State and the State is not liable for such obligations. The trust indentures between the Commission and the trustees establish special accounts for the segregation of assets and restrictions on the use of bond proceeds and certain other funds received.

Resolutions of the Commission require that, to the extent funds are available in the general account of each bond fund, the funds are to be transferred to a debt service account on a periodic basis, from the date of bond issuance to the date of each succeeding maturity, sufficient to make principal and interest payments on the bonds as they become due. Funds within the general account of each bond fund are on deposit in restricted accounts.

The statute and resolutions of the Commission require that for certain bond issues an amount be maintained in reserve accounts to be used to make principal and interest payments on payment due dates. Such amounts are on deposit in restricted accounts for the various issues within the multifamily and single family mortgage revenue bond programs.

Restricted investments include U.S. agency securities pledged as collateral for short-term FHLB advances. Pursuant to state statute, the Commission has also restricted cash and investments held for the Missouri Housing Trust Fund. In addition, cash and investments held associated with federal grant agreements are restricted. These funds include deposits for rental assistance received in accordance with the Consolidated Appropriations Act, homeowner assistance funds received in accordance with the American Rescue Plan Act and other federal programs.

As of June 30, 2022, the assets of all accounts satisfied the requirements as established by the trust indentures, applicable agreements and state statute. Such assets are restricted as follows (in thousands):

	2022
Program restricted funds and pledged investments	$ 81,579
Federal Program Funds	401,358
Missouri Housing Trust Fund	3,599
Bond Proceeds Accounts - funds for purchase of qualified mortgage-backed securities or mortgage loans and payment of costs of issuance	80,368
Revenue and Debt Service Funds - program revenues for debt services payments	46,210
Debt Service and Other Bond Reserve Accounts - reserves held as required by bond indentures, including: debt service reserves, mortgage reserves and capitalized interest	16,782
	$ 629,896

Restricted Net Position

Pursuant to certain bond resolutions, the Commission has restricted the net position of the multifamily and single family mortgage revenue bond programs to maintain a level of reserves necessary to provide sound fiscal operations. U.S. agency securities and mortgage-backed securities are pledged as collateral for short-term FHLB advances. In addition, net position associated with the federal grant agreements of HOME and TCAP are restricted. In fiscal year 1997, the Commission acquired a portfolio of loans from HUD. Revenues collected from these HUD-purchased loans are restricted by an agreement between the Commission and HUD to be used primarily for rehabilitation loans or grants.

Pursuant to state statute, the Commission has restricted the amount of net position representing revenues over expenses related to the financial activity of the Missouri Housing Trust Fund. Revenues of the Missouri Housing Trust Fund are restricted to programs that financially assist, through loans or grants, the development of housing stock and that provide housing assistance to persons and families with incomes at or below specified levels.

Below is a summary of restricted net position by bond resolution and state statute as of June 30, 2022 (in thousands):

		2022
Restricted Net Position		
Restricted by bond resolution	$	93,208
Restricted by collateral custodial agreement - FHLB		57,794
Restricted by grant agreement - HOME Investment Partnership Program		256,799
Restricted by grant agreement - Housing Trust Fund		11
Restricted by grant agreement - TCAP		28,005
Restricted earnings of HUD-purchased Loans		12,426
Restricted by state statute - Missouri Housing Trust Fund		3,607
Total Restricted Net Position	$	451,850

Commission Designated Net Position

The Commission has designated certain unrestricted net position for its affordable housing programs. The Commission has the discretion to reverse any designated net position and as of June 30, 2022, has designated the following amounts (in thousands):

		2022
Designated by Commission for:		
Tenant assistance	$	1,571
Loans not funded by a bond sale		120,421
Construction loan commitments		47,000
Loan and other commitments not yet disbursed		25,808
Single Family Homeownership Program		20,000
Single Family Cash Assistance Program		21,500
Rural Initiative Program		582
Total Commission Designated Net Position	$	236,882

8. Pension Plan

General Information about the Pension Plan

Plan description. Benefit eligible employees of the Commission are provided pensions through Missouri State Employees' Plan (MSEP) - cost-sharing multiple-employer defined benefit pension plans administered by MOSERS. The plans are referred to as MOSERS throughout the Notes. Section 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related Commission employees. MOSERS issues a Annual Comprehensive Financial Report (ACFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' ACFR starting on page 31.

Contributions. Per Section 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.0% of their annual pay. The Commission's required contribution rate for the year ended June 30, 2022 was 23.51% of annual payroll, which totaled $1,684,000, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. Contributions to the pension plan from the Commission were $1,332,000 for MOSERS plan year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Commission reported a liability of $16,154,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2021 was offset by the fiduciary net position obtained from the MOSERS ACFR as of June 30, 2021 to determine the net pension liability.

The Commission's proportion of the net pension liability was based on the Commission's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2021. At the June 30, 2021 measurement date, the Commission's proportion was 0.28894%, a slight increase from 0.27947%, as of the June 30, 2020 measurement date.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2021 that affected the measurement of total pension liability.

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation, which is also the date of measurement for financial reporting purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Summary of Key Actuarial Assumptions

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Market value
Investment rate of return	6.95%
Projected salary increases	2.75% to 10.00%
Rate of payroll growth	2.25%
COLAs	4.00%/1.80%*
Price inflation	2.25%

* 4.00% compounded annually, when a minimum COLA of 4.00% is in effect. 1.80% compounded annually, when no minimum COLA is in effect (80% of price inflation).

An actuarial experience study covering the five-year period ended June 30, 2020, was performed in 2021. Certain actuarial assumptions and methods were changed as a result of the experience study, including:

- Subsequent changes in the unfunded actuarial accrued liability due to actuarial gains/losses or assumption changes are now amortized over a closed 25 year period, instead of 30 years.
- Mortality assumptions are now based on generational tables.
- The merit component of the salary increase assumption was adjusted to partially reflect observed experience.

Mortality

Pre-retirement mortality rates were based on the Pub-2010 General Members Below Median Employee mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for retirees were based on the Pub-2010 General Members Below Median Healthy Retiree mortality table, scaled by 104%, set back two years for males and set forward one year for females. Mortality projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Members Below Median Contingent Survivor mortality table, set back two years for males and set forward one year for females. Mortality was projected generationally from 2010 to 2020 using Scale MP-2020 and 75% of Scale MP-2020 for years after 2020.

Long-term Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation, volatility and correlations. Best estimates of the real rates of return expected are summarized by asset class in the following table:

Long-Term Expected Rate of Return

Asset Class	Policy Allocation	Long-Term Expected Nominal Return *	Long-Term Expected Real Return	Weighted Average Long-Term Expected Nominal Return
Global public equities	30.0%	7.7%	5.8%	2.3%
Global private equities	15.0%	9.3%	7.4%	1.4%
Long treasuries	25.0%	3.5%	1.6%	0.9%
Core bonds	10.0%	3.1%	1.2%	0.3%
Commodities	5.0%	5,5%	3.6%	0.3%
TIPS	25.0%	2.7%	0.8%	0.7%
Private real assets	5.0%	7.1%	5.2%	0.3%
Public real assets	5.0%	7.7%	5.8%	0.4%
Hedge funds	5.0%	4.8%	2.9%	0.2%
Alternative beta	10.0%	5.3%	3.4%	0.5%
Private credit	5.0%	9.5%	7.6%	0.5%
Cash and cash equivalents**	-40.0%	-	-	-
	100.0%			
			Correlation/Volatility Adjustment	-0.6%
			Long-Term Expected Net Nominal Return	7.2%
			Less: Investment Inflation Assumption	-1.9%
			Long-Term Expected Geometric Net Real Return	5.3%

* Long-term expected arithmetic returns of the asset classes at the time of the asset allocation study for each portfolio.
** Cash and cash equivalents policy allocation amounts are negative due to use of leverage.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made using the actuarially determined rates. Based on those assumptions, MOSERS' fiduciary net position was projected to be available to make all the projected future benefit payments of the current plan members. As a result, the long-term expected rate of return on pension plan investments of 6.95% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Commission's proportionate share of net pension liability (in thousands)	$ 21,291	$ 16,154	$ 11,864

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS annual comprehensive financial report.

Pension Expense

For the fiscal year ended June 30, 2022, the Commission recognized pension expense of $1,814,000.

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 257	$ 71
Changes of assumptions	1,130	—
Net difference between projected and actual earnings on pension plan investments	—	2,912
Changes in proportion and differences between Commission contributions and proportionate share of contributions	370	185
Commission contributions subsequent to the measurement date of 6-30-21	1,684	—
Total	$ 3,441	$ 3,168

$1,684,000 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the Commission's financial statements for the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the Commission's fiscal year following MOSERS' fiscal year as follows (in thousands):

Commission's Fiscal Year Ending June 30:	Amount
2023	$ 88
2024	146
2025	(780)
2026	(865)
Total	$ (1,411)

Payables to the Pension Plan

The Commission had a payable to MOSERS of $84,000 as of June 30, 2022, included as a component of accrued liabilities due to contribution obligations related to compensation incurred prior to the fiscal year end.

9. Deferred Compensation Plan

The Commission's employees may participate in the State of Missouri Deferred Compensation Plan, a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. Participant account record keeping and processing services is administered by a third party. Under this plan, employees are permitted to defer a portion of their current salary until future years.

10. Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description. The State Retiree Welfare Benefit Trust (SRWBT), a cost-sharing multiple employer, defined benefit OPEB plan, is administered by the Missouri Consolidated Health Care Plan (MCHCP). Employees may participate at retirement if eligible to receive a monthly retirement benefit from MOSERS or another retirement system whose members are grandfathered for coverage under the plan by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri. Financial information for the OPEB plan is included in MCHCP's ACFR which is available on the MCHCP website at www.mchcp.org.

Benefits Provided. Benefit provisions of the SRWBT provide postemployment healthcare coverage. Employees and their eligible dependents may participate in state-sponsored medical coverage in retirement based on plan criteria. Medical coverage, including prescription coverage, is provided through plan options including a qualified high deductible plan with health savings account and preferred provider organization plans (PPO 1250 and PPO 750). Health care benefits are funded through both employer and retiree contributions.

Contributions. Contributions are established and may be amended by the MCHCP Board of Trustees within the authority granted under Chapter 103 of the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178. For each year of a retiree's service, 2.5% of the monthly PPO 1250 healthcare plan premium is contributed on behalf of the retiree up to a maximum contribution of 65%. The retiree pays the balance of the premiums. Participants contributed $43,300,000 toward their required contributions for the plan year ended June 30, 2021. The Commission's required contribution rate for the fiscal year ended June 30, 2022 ranged from 4.29% to 4.34% of annual payroll, which totaled $290,000 in contributions actuarially determined as an amount that, when combined with participant contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the Commission were $229,000 for the plan year ended June 30, 2021.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Commission reported a liability of $5,242,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At the June 30, 2021 measurement date, the Commission's proportion was 0.3073%, a slight increase from 0.3061% as of the June 30, 2020 measurement date.

For the fiscal years ending June 30, 2022, the Commission recognized OPEB expense of $245,000. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2022	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 211	$ 56
Changes of assumptions	—	655
Net difference between projected and actual earnings on pension plan investments	—	16
Changes in proportion and differences between employer contributions and proportionate share of contributions	98	406
Commission contributions subsequent to the measurement date of 6-30-21	290	—
Total	$ 599	$ 1,133

$290,000 reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net OPEB liability in the Commission's financial statements for the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Commission's Fiscal Year Ending June 30:	**Amount**
2023	$ (127)
2024	(129)
2025	(130)
2026	(132)
2027	(140)
Thereafter	(166)
Total	$ (824)

Actuarial Methods and Assumptions

The actuarial calculations utilize methodologies and assumptions designed to reduce short-term volatility. Actuarial valuations are developed based upon economic assumptions that are appropriate for the purpose of the measurements, take into account relevant historical and current data, reflect estimates of future experience, are free of bias, and include demographic actuarial assumptions that are considered to be reasonable and within a best projection range as described by the Actuarial Standards of Practice. Future actuarial measurements may differ from the current measurements due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions and changes in plan provisions or applicable law.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, change in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program cost contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation.

The cost method utilized for the valuation year June 30, 2021, was the entry age normal, level percent of pay. The following presents additional information as of the latest actuarial valuation:

Summary of Key Actuarial Methods & Assumptions

Valuation Year	July 1, 2020 - June 30, 2021
Actuarial Cost Method	Entry age normal, level percent of pay
Amortization method for Unfunded Actuarial Accrued Liability	30 years, open, level percent of pay
Asset valuation method	Market value
Discount Rate	4.50%
Projected payroll growth rate	4.00%
Inflation Rate	3.00%

Health Care Cost Trend Rate (Medical and Prescription Drugs combined):

Non-Medicare is 6.50% for Fiscal 2022; the rate decreases by 0.25% per year to an ultimate rate of 5.0% in Fiscal 2028 and later. Medicare 9.00% in fiscal year 2022, 13.50% in fiscal 2023, 12.50% in fiscal 2024, 11.50% in fiscal 2025, 10.50 % in fiscal 2026, 9.75% in fiscal 2027, 9.00% in fiscal 2028, 8.25% in fiscal 2029, 7.50% in fiscal 2030, 6.75% in fiscal 2031, 6.00% in fiscal 2032, 5.25% in fiscal 2033, then 5.00% in fiscal 2034 and after.

The discount rate was changed to 4.50% from 4.38%. There was no change in the expected return on asset assumption.

Expected Return on Plan Assets

The MCHCP Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach to steadily increase the exposure of the SRWBT to higher asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back tested, and future assets are projected in all models.

The table below presents the asset allocation for the plan at June 30, 2021:

Asset Class	Target Allocation	Expected Real Return
Large cap stocks	18%	8.5%
Mid cap stocks	7%	8.8%
Small cap stocks	9%	8.8%
International stocks	5%	8.9%
BarCap Aggregate bonds	59%	2.7%
Cash equivalents	2%	2.2%

Rate of Return

For the plan year ended June 30, 2021, the annual money weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 14.40%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 4.50% was used to measure the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and the contributions from employers will be made at statutorily required rates, actuarially determined. This discount rate was determined as a blend of the plan sponsor’s best estimate of the expected return on plan assets and the twenty-year high quality municipal bond rate as of June 30, 2021, the measurement date. For years where expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is used.

Sensitivity of the Commission's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using the discount rate of 4.50%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Commission's proportionate share of net OPEB liability (in thousands)	$ 4,432	$ 5,242	$ 6,265

Sensitivity of the Commission's proportionate share of the net OPEB liability to Healthcare Cost Trend Rate

The following presents the Commission's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Commission's proportionate share of net OPEB liability (in thousands)	$ 4,419	$ 5,242	$ 6,282

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued MCHCP comprehensive annual financial report.

11. Commitments, Contingencies and Concentrations

Federal and Other Assistance Programs

The Commission participates in various federal and other grant programs, primarily with HUD. In addition to an annual financial audit, the Commission is also subject to program audits, as deemed necessary by its federal and other grantor agencies that may result in disallowed costs to the Commission. The Commission's management does not believe such audits would result in any disallowed costs that would be material to the Commission's financial position at June 30, 2022.

The Commission has identified certain questionable rental assistance payments, for which some have been reported to the appropriate agencies in accordance with regulatory requirements and applicable potential repayment has been recognized; others are pending investigation. The Commission's management does not believe the ultimate resolution of such questioned costs would be material to the Commission's financial position at June 30, 2022.

The Commission is the administrator of the Project-Based Section 8 program in the State. This contract, which terminates January 31, 2023, resulted in $160,157,000 in housing assistance payment revenue and expense activity for the fiscal year ended June 30, 2022. HUD may extend the current contract term and is planning to competitively bid this program administration.

Arbitrage Rebate and Yield Compliance

Federal income tax rules limit the investment and loan yields which the Commission may retain for its own use from investing the proceeds of certain tax-exempt bond issues. Excess yields, if any, payable to the U.S. Treasury are included in accounts payable. There was no liability payable as of June 30, 2022. The Commission has previously acquired certain participations in mortgage-backed securities that were financed with tax-exempt bond proceeds in which the interest participation percentage is lower than the principal participation percentage, which could result in the Commission having to originate future below-market loans or make a future yield reduction payment to the U.S. Treasury.

Litigation

From time to time, the Commission may be a defendant in legal actions related to its programs and operations. While the final outcomes of these legal actions vary, management is of the opinion that the ultimate liability, if any, will not have a material effect on the Commission's financial position.

Other

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Commission carries commercial insurance. In addition, the Commission carries commercial insurance for workers' compensation. The Commission retains risk of loss; however, there have been no settlements which exceeded insurance coverage in the last three years.

The Commission has committed to mortgage loans funded by the operating fund net position of $37,224,000 that have not been disbursed as of June 30, 2022.

12. Subsequent Events

During the current year the Commission authorized Single Family Mortgage Revenue Bonds to provide funding for the Commission's First Place Homeownership Program. In accordance with this authorization, the Commission sold 2022 Series C bonds totaling $75,000,000 in August 2022.

13. Future Accounting Pronouncements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for the Commission's fiscal year ending June 30, 2023. This statement establishes uniform accounting and financial reporting requirements for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. This statement requires SBITAs, previously classified as operating expenses, be recognized as intangible right-to-use subscription assets with corresponding subscription liabilities. The Commission is in the process of evaluating the impact of adoption of this statement on the financial statements.

Required Supplementary Information

MISSOURI HOUSING DEVELOPMENT COMMISSION

SCHEDULES OF SELECTED PENSION INFORMATION
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM
(In Thousands)

Schedule of Commission's Proportionate Share of the Net Pension Liability

	Plan Fiscal Year Ended							
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Commission's proportion of the net pension liability or asset	0.3044%	0.3030%	0.3148%	0.3141%	0.2993%	0.28676%	0.27947%	0.28894%
Commission's proportionate share of the net pension liability	$ 7,178	$ 9,714	$ 14,613	$ 16,355	$ 16,698	$ 17,324	$ 17,740	$ 16,154
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585	$ 5,825
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	130.96%	165.88%	239.69%	264.55%	286.99%	310.97%	317.64%	277.32%
Plan fiduciary net position as a percentage of the total pension liability	79.49%	77.62%	63.60%	60.41%	59.02%	56.72%	55.48%	63.00%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended								
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332	$ 1,684
Contributions in relation to the required contribution	$ 993	$ 994	$ 1,035	$ 1,049	$ 1,132	$ 1,126	$ 1,216	$ 1,332	$ 1,684
Contribution deficiency	—	—	—	—	—	—	—	—	—
Commission's covered payroll	$ 5,481	$ 5,856	$ 6,097	$ 6,182	$ 5,818	$ 5,571	$ 5,585	$ 5,825	$ 7,164
Contributions as a percentage of covered payroll	18.13%	16.97%	16.97%	16.97%	19.45%	20.21%	21.77%	22.88%	23.51%

Notes:

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed.

Changes of Benefit Terms or Assumptions

Change in assumptions. Subsequent changes in the UAAL due to actuarial gains/losses or assumption changes are amortized as a level percentage of payroll, over closed 25-year periods. The merit component of the salary increase assumption was adjusted to partially reflect observed experience. Mortality assumptions are now based on generational tables.

MISSOURI HOUSING DEVELOPMENT COMMISSION

SCHEDULES OF SELECTED OTHER POSTEMPLOYMENT BENEFIT INFORMATION MISSOURI CONSOLIDATED HEALTH CARE PLAN (In Thousands)

Schedule of Commission's Proportionate Share of the Net OPEB Liability

	Plan Fiscal Year Ended				
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Commission's proportion of the net OPEB liability	0.3424%	0.3245%	0.3082%	0.3061%	0.3073%
Commission's proportionate share of the net OPEB liability	$ 6,042	$ 5,686	$ 5,451	$ 5,452	$ 5,242
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187	$ 5,381
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	109.02%	108.41%	108.46%	105.11%	97.42%
Plan fiduciary net position as a percentage of the total OPEB liability	6.64%	6.90%	7.31%	8.24%	10.14%

Schedule of Commission's Contributions

	Commission Fiscal Year Ended					
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Required contribution	$ 230	$ 224	$ 253	$ 221	$ 229	$ 290
Contributions in relation to the required contribution	$ 230	$ 224	$ 253	$ 221	$ 229	$ 290
Contribution deficiency	—	—	—	—	—	—
Commission's covered payroll	$ 5,542	$ 5,245	$ 5,026	$ 5,187	$ 5,381	$ 6,719
Contributions as a percentage of covered payroll	4.14%	4.27%	5.03%	4.26%	4.26%	4.31%

Notes:

Information provided is based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Above schedules are ultimately required to show information for ten years. Only the data for years currently available is displayed

Changes of benefit terms or assumptions

Changes in assumptions and methods include the following:
- The discount rate was changed from 4.38% to 4.50%.
- The mortality base tables were changed from RP-2016 to Pri-2012; the mortality projection scales were changed from MP-2016 to MP-2021.
- Per capita claims costs, administrative expenses and retiree contributions were updated based on analysis of 2022 rates.
- Trend rates were updated based on anticipated future experience.

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
Page 1 of 2
June 30, 2022
(In Thousands)

		Bond-Financed Programs		
	Operating	**Multifamily**	**Single Family**	**Total**
Assets				
Current Assets				
Cash and cash equivalents	$ 550	$ —	$ —	$ 550
Investments	10,730	—	—	10,730
Mortgage investments	11,278	—	—	11,278
Accrued interest receivable	2,017	—	—	2,017
Accounts receivable - other	1,911	—	—	1,911
Prepaid expenses	436	—	—	436
Total Current Assets	26,922	—	—	26,922
Noncurrent Assets				
Restricted assets				
Cash and cash equivalents	390,486	5,721	130,553	526,760
Investments	96,050	4,166	2,920	103,136
Mortgage investments	255,658	35,467	1,054,242	1,345,367
Accrued interest receivable	528	206	3,390	4,124
Accounts receivable - other	22,265	—	—	22,265
Total restricted assets	764,987	45,560	1,191,105	2,001,652
Investments	184,105	—	—	184,105
Mortgage investments, net of current portion and allowances for loan losses of $40,248	91,967	—	—	91,967
Capital assets, less accumulated depreciation of $5,271	2,007	—	—	2,007
Lease assets, less accumulated amortization of $1,482	2,564	—	—	2,564
Total Noncurrent Assets	1,045,630	45,560	1,191,105	2,282,295
Total Assets	1,072,552	45,560	1,191,105	2,309,217
Deferred Outflows of Resources				
Refunding of debt	—	6	752	758
Pension	3,441	—	—	3,441
Other Postemployment Benefits (OPEB)	599	—	—	599
Total Deferred Outflows of Resources	4,040	6	752	4,798

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION *(Continued)*

Page 2 of 2

June 30, 2022

(In Thousands)

	Operating	Bond-Financed Programs Multifamily	Bond-Financed Programs Single Family	Total
Liabilities				
Current Liabilities				
Lease liabilities	$ 673	$ —	$ —	$ 673
Accounts payable	7,851	—	—	7,851
Unearned revenue	1,373	—	—	1,373
Total Current Liabilities	9,897	—	—	9,897
Current Liabilities - Payable from Restricted Assets				
Bonds and notes payable	—	1,502	29,075	30,577
Accrued interest payable	—	403	4,803	5,206
Federal housing subsidy deposits	392,934	—	—	392,934
Accounts payable	1,465	—	—	1,465
Total Current Liabilities - Payable from Restricted Assets	394,399	1,905	33,878	430,182
Noncurrent Liabilities				
Lease liabilities	1,917	—	—	1,917
Pension	16,154	—	—	16,154
Other Postemployment Benefits (OPEB)	5,242	—	—	5,242
Unearned revenue	7,872	—	—	7,872
Payable from restricted assets				
Bonds and notes payable	—	32,344	1,075,050	1,107,394
Total Noncurrent Liabilities	31,185	32,344	1,075,050	1,138,579
Total Liabilities	435,481	34,249	1,108,928	1,578,658
Deferred Inflows of Resources				
Refunding of debt	—	60	978	1,038
Pension	3,168	—	—	3,168
Other Postemployment Benefits (OPEB)	1,133	—	—	1,133
Total Deferred Inflows of Resources	4,301	60	978	5,339
Net Position				
Net investment in capital assets	1,981	—	—	1,981
Restricted	358,642	11,257	81,951	451,850
Unrestricted, including designated balances	276,187	—	—	276,187
Total Net Position	$ 636,810	$ 11,257	$ 81,951	$ 730,018

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
June 30, 2022
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Total
Assets			
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	$ 3,965	$ 1,756	$ 5,721
Investments	1,539	2,627	4,166
Mortgage investments	19,139	16,328	35,467
Accrued interest receivable	101	105	206
Total Noncurrent Assets	24,744	20,816	45,560
Total Assets	24,744	20,816	45,560
Deferred Outflows of Resources			
Refunding of debt	—	6	6
Liabilities			
Current Liabilities - Payable from Restricted Assets			
Bonds and notes payable	806	696	1,502
Accrued interest payable	365	38	403
Total Current Liabilities - Payable from Restricted Assets	1,171	734	1,905
Noncurrent Liabilities			
Bonds and notes payable	16,670	15,674	32,344
Total Noncurrent Liabilities	16,670	15,674	32,344
Total Liabilities	17,841	16,408	34,249
Deferred Inflows of Resources			
Refunding of debt	—	60	60
Total Deferred Inflows of Resources	—	60	60
Net Position			
Restricted	6,903	4,354	11,257
Total Net Position	$ 6,903	$ 4,354	$ 11,257

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
June 30, 2022
(In Thousands)

	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Assets			
Noncurrent Assets			
Restricted assets			
Cash and cash equivalents	$ 2,071	$ 128,482	$ 130,553
Investments	—	2,920	2,920
Mortgage investments	45,766	1,008,476	1,054,242
Accrued interest receivable	162	3,228	3,390
Total Noncurrent Assets	47,999	1,143,106	1,191,105
Total Assets	47,999	1,143,106	1,191,105
Deferred Outflows of Resources			
Refunding of debt	—	752	752
Total Deferred Outflows of Resources	—	752	752
Liabilities			
Current Liabilities - Payable from Restricted Assets			
Bonds and notes payable	1,864	27,211	29,075
Accrued interest payable	138	4,665	4,803
Total Current Liabilities - Payable from Restricted Assets	2,002	31,876	33,878
Noncurrent Liabilities			
Payable from restricted assets			
Bonds and notes payable	31,033	1,044,017	1,075,050
Total Noncurrent Liabilities	31,033	1,044,017	1,075,050
Total Liabilities	33,035	1,075,893	1,108,928
Deferred Inflows of Resources			
Refunding of debt	485	493	978
Total Deferred Inflows of Resources	485	493	978
Net Position			
Restricted	14,479	67,472	81,951
Total Net Position	$ 14,479	$ 67,472	$ 81,951

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2022
(In Thousands)

		Bond-Financed Programs		
	Operating	Multifamily	Single Family	Total
Operating Revenues				
Interest and investment income				
Income - mortgage investments	$ 11,162	$ 2,143	$ 38,116	$ 51,421
Income - investments	3,782	214	243	4,239
Net decrease in fair value	(31,249)	(812)	(108,225)	(140,286)
Total interest and investment income	(16,305)	1,545	(69,866)	(84,626)
Income - MBS sales	549	—	—	549
Administration fees	7,738	—	—	7,738
Other income	8,157	—	2,275	10,432
Federal program income	512,133	—	—	512,133
Total Operating Revenues	512,272	1,545	(67,591)	446,226
Operating Expenses				
Interest expense on bonds	128	1,465	24,177	25,770
Bond debt expense and other fees	43	36	2,864	2,943
Compensation	11,825	—	—	11,825
General and administrative expenses	5,618	—	—	5,618
Rent and other subsidy payments	7,052	—	—	7,052
Missouri Housing Trust Fund grants	3,157	—	—	3,157
Federal program expenses	501,918	—	—	501,918
Total Operating Expenses	529,741	1,501	27,041	558,283
Income before transfers from Custodial Funds	(17,469)	44	(94,632)	(112,057)
Transfer from Custodial Funds	606	—	—	606
Change in Net Position	(16,863)	44	(94,632)	(111,451)
Net Position - Beginning of Year, as Restated	653,144	12,275	176,050	841,469
Interfund Transfers	529	(1,062)	533	—
Net Position - End of Year	$ 636,810	$ 11,257	$ 81,951	$ 730,018

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MULTIFAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2022
(In Thousands)

	Multifamily (2000 Indenture)	Multifamily (2014 Indenture)	Total
Operating Revenues			
Interest and investment income			
Income - mortgage investments	$ 1,051	$ 1,092	$ 2,143
Income - investments	79	135	214
Net decrease in fair value	(277)	(535)	(812)
Total interest and investment income	853	692	1,545
Total Operating Revenues	853	692	1,545
Operating Expenses			
Interest expense on bonds	752	713	1,465
Bond debt expense and other fees	17	19	36
Total Operating Expenses	769	732	1,501
Change in Net Position	84	(40)	44
Net Position - Beginning of Year	6,895	5,380	12,275
Interfund Transfers	(76)	(986)	(1,062)
Net Position - End of Year	$ 6,903	$ 4,354	$ 11,257

MISSOURI HOUSING DEVELOPMENT COMMISSION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SINGLE FAMILY BOND - FINANCED PROGRAMS
For the Year Ended June 30, 2022
(In Thousands)

	Special Homeownership (2009 Indenture)	First Place Homeownership (2015 Indenture)	Total
Operating Revenues			
Interest and investment income			
Income - mortgage investments	$ 2,146	$ 35,970	$ 38,116
Income - investments	4	239	243
Net decrease in fair value	(3,927)	(104,298)	(108,225)
Total interest and investment income	(1,777)	(68,089)	(69,866)
Other income	282	1,993	2,275
Total Operating Revenues	(1,495)	(66,096)	(67,591)
Operating Expenses			
Interest expense on bonds	1,194	22,983	24,177
Bond debt expense and other fees	10	2,854	2,864
Total Operating Expenses	1,204	25,837	27,041
Change in Net Position	(2,699)	(91,933)	(94,632)
Net Position - Beginning of Year	18,780	157,270	176,050
Interfund Transfers	(1,602)	2,135	533
Net Position - End of Year	$ 14,479	$ 67,472	$ 81,951